UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices   Docket No. CP2014-42
Global Plus 1C Contracts (MC2012-6)
Negotiated Service Agreements

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE
NOTICE OF FILING A FUNCTIONALLY EQUIVALENT GLOBAL PLUS 1C
NEGOTIATED SERVICE AGREEMENT

(April 21, 2014)

The Public Representative hereby provides comments pursuant to Order

No. 2051.[1] In that Order, the Commission established the above referenced docket to

receive comments from interested persons, including the undersigned Public

Representative, on a Postal Service Notice of its entering into an additional Global Plus

1C Negotiated Service Agreement.[2]

The Postal Service seeks to add the Global Plus 1C Negotiated Service

Agreement (contract) to the competitive productive list, asserting that it is functionally

equivalent to the baseline agreements in CP2012-12 and CP2012-13. *Id.* at 3. It

further asserts that the contract is in compliance with 39 U.S.C. §3633. *Id.* at 4.

The Postal Service intends the effective period of the agreement to be May 1,

2014 through its expiration on March 31, 2015, unless terminated sooner as provided

for in the terms of the contract.

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[1] PRC Notice and Order Concerning An Additional Global Plus 1C Negotiated Service Agreement, April 15, 2014.

[2] Notice of the United States Postal Service of Filing A Functionally Equivalent Global Plus 1C Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, April 14, 2014, (Notice).

COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the Global Plus 1C Negotiated Service Agreement filed under seal, the supporting financial model also filed under seal, and all other materials filed with the Notice.

Functional Equivalency. The Postal Service contends that the instant contract is functionally equivalent to the baseline contracts in Dockets CP2012-12 and CP2012-13 in that they share similar cost and market characteristics. *Id.* at 4. The Postal Service, however, does identify a number of differences between the instant contract and the baseline contract, but does not consider them "to alter the contracts' functional equivalency". *Id.* at 5.

The Public Representative has carefully reviewed the Global Plus 1C contract that is the subject of Docket CP2014-42 and the baseline contracts in CP2012-12 and CP2012-13 and considers that they are functionally equivalent. Differences between the instant and baseline contracts do not impact any cost or market characteristics that would differentiate the contracts at any substantive level.

Statutory Criteria. 39 U.S.C. §3633. The Postal Service also asserts that the instant contract meets the requirements of 39 U.S.C §3633 that apply to competitive products. *Id.* at 8.

The Public Representative has reviewed the financial documentation filed under seal with the Commission and agrees that all three criteria under 39 U.S.C. §3633 are met under this contract for the articles shipped via International Priority Airmail,

International Surface Airlift, Priority Mail Express International, Priority Mail International

and Commercial ePacket service *using the financial data provided*.

      The Public Representative is unable to make a determination of whether Global

Express Guaranteed, also included in the instant contract, is in compliance with 39

U.S.C. §3633, without the financial information on cost, volume and revenue for the

product, specific to the instant contract.

      The Public Representative provides these comments for the Commission's

consideration.

                         Respectfully Submitted,

                         /s/ Cassie D'Souza

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